

May 14, 2026

## Summary of Consolidated Financial Results for the Year Ended March 2026 [Japan GAAP]

Name of Company: KAGA ELECTRONICS CO., LTD.  
 Stock Code: 8154 URL: <https://www.taxan.co.jp/>  
 Stock Exchange Listing: Tokyo Stock Exchange, Prime Market  
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 Date of regular general meeting of shareholders: June 25, 2026 (tentative)  
 Date of commencement of dividend payment: June 10, 2026 (tentative)  
 Date of filing of securities report: June 30, 2026 (tentative)  
 Earnings supplementary explanatory documents: Yes  
 Earnings presentation: Yes (For institutional investors and analysts)

(Yen in millions, rounded down)

### 1. Financial results for the current fiscal year (April 1, 2025 - March 31, 2026)

#### (1) Result of operations (Consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2026	658,941	20.3	27,824	17.9	29,930	32.5	31,099	82.0
Fiscal year ended March 2025	547,779	0.9	23,601	(8.7)	22,593	(13.0)	17,083	(16.0)

Note: Comprehensive income: FY ended March 31, 2026: 37,711 million yen [81.8%] FY ended March 31, 2025: 20,744 million yen [(23.8)%]

	Earnings per share	Earnings per share (diluted)	Return on equity	Ratio of ordinary income to assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 2026	627.71	—	17.8	8.4	4.2
Fiscal year ended March 2025	325.08	—	10.8	7.6	4.3

Ref.: Share of profit/loss of entities accounted for using equity method: FY ended March 2026: 39 million yen FY ended March 2025: (90) million yen

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024. Note that diluted earnings per share is indicated as "—" because there are no diluted shares.

#### (2) Financial Position (Consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	403,694	183,516	45.5	3,850.35
As of March 31, 2025	305,671	166,379	54.4	3,162.68

Ref.: Shareholders' equity : FY ended March 2026: 183,503 million yen FY ended March 2025: 166,218 million yen

#### (3) Cash flow position (Consolidated)

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 2026	(2,471)	(3,466)	20,329	88,292
Fiscal year ended March 2025	25,047	(9,967)	(7,343)	72,681

### 2. Dividends

	Dividend per share					Annual aggregate amount	Payout ratio (Consolidated)	Dividends/net assets (Consolidated)
	1Q	2Q	3Q	Year- end	Full year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 2025	—	110.00	—	55.00	—	5,781	33.8	3.7
Fiscal year ended March 2026	—	60.00	—	80.00	140.00	6,672	22.3	4.0
Fiscal year ending March 2027 (Forecast)	—	70.00	—	70.00	140.00		33.4	

Notes: 1. Breakdown of interim dividend for 2026/3: Ordinary dividend: 55.00 yen; Extraordinary dividend: 5.00 yen  
 Breakdown of year-end dividend for 2026/3: Ordinary dividend: 55.00 yen; Extraordinary dividend: 25.00 yen

2. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. The amount of the year-end dividend per share presented above for the fiscal year ended March 2025 takes into account the effect of the stock split, and the full-year dividend amount is indicated as "-". Assuming that the stock split was conducted at the beginning of the previous fiscal year, the interim dividend would be 55.00 yen, and the full year dividend per share would be 110.00 yen.

### 3. Forecast for the fiscal year ending March 2027 (Consolidated, April 1, 2026 - March 31, 2027)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	645,000	(2.1)	28,500	2.4	28,000	(6.5)	20,000	(35.7)	419.65

#### \* Notes

(1) Significant changes in the scope of consolidation during the period : Yes  
New: 8 (Company Name): Kyoei Sangyo Co., Ltd. and seven other companies

(2) Changes in accounting policies, estimates, and retrospective restatement  
(a) Changes due to revision of accounting standards: None  
(b) Changes other than (a): None  
(c) Changes in accounting estimates: None  
(d) Retrospective restatement: None

(3) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury shares)	As of March 31, 2026:	52,486,836	As of March 31, 2025:	57,404,236
(b) Treasury shares	As of March 31, 2026:	4,827,804	As of March 31, 2025:	4,847,842
(c) Average number of shares outstanding during the year	As of March 31, 2026:	49,544,258	As of March 31, 2025:	52,549,881

Notes: 1. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. The average number of shares was calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. As a result of the cancellation of treasury shares on August 18, 2025, the number of shares issued at the end of the fiscal year decreased by 4,917,400 shares.

#### (Reference) Non-consolidated Financial Results

##### Financial results for the fiscal year ended March 2026 (April 1, 2025 - March 31, 2026)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2026	128,164	9.1	5,793	9.2	21,521	45.6	19,894	56.5
Fiscal year ended March 2025	117,513	0.5	5,306	(11.4)	14,782	(10.7)	12,713	(17.8)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Fiscal year ended March 2026	401.52	—
Fiscal year ended March 2025	241.92	—

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024. Note that diluted earnings per share is indicated as "-" because there are no diluted shares.

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	153,035	67,464	44.1	1,415.43
As of March 31, 2025	137,381	67,372	49.0	1,281.80

Ref.: Shareholders' equity Fiscal year ended March 2026: 67,464 million yen Fiscal year ended March 2025: 67,372 million yen

\*The audit procedures by certified public accountant or auditing firm are not applicable to this Financial Results report.

\*Cautionary statement regarding forecasts of operating results and special notes

(Caution regarding forward-looking statements)

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the forecasts, please see "1. Results of Operations (4) Future outlook" on page 9 of Supplementary Information.

(Materials for financial results and how to obtain details of the financial results meeting)

We plan to hold an earnings briefing for institutional investors and analysts on Thursday, May 28, 2026. Materials for the earnings presentation (Japanese and English) will be posted on TDnet and our website today (Thursday, May 14th). We plan to post a video of the earnings briefing, together with the briefing materials used on that day, on our website on May 28th.

(A video of the earnings briefing in English will be posted at a later date.)

(Japanese) [https://www.taxan.co.jp/jp/ir/event/event\\_01.html](https://www.taxan.co.jp/jp/ir/event/event_01.html)

(English) [https://www.taxan.co.jp/en/ir/event/event\\_01.html](https://www.taxan.co.jp/en/ir/event/event_01.html)

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## 1. Results of Operations

### (1) Overview of consolidated business performance

	FY 2025/3 (April 1, 2024 – March 31, 2025)	FY 2026/3 (April 1, 2025 – March 31, 2026)	YoY	
	(Million yen)	(Million yen)	(Million yen)	
Net sales	547,779	658,941	111,162	20.3%
Gross profit (Margin)	71,665 13.1%	85,350 13.0%	13,684 (0.1pt)	19.1% –
SG&A	48,064	57,525	9,460	19.7%
Operating income (Margin)	23,601 4.3%	27,824 4.2%	4,223 (0.1pt)	17.9% –
Ordinary income	22,593	29,930	7,336	32.5%
Profit before income taxes	23,709	40,376	16,666	70.3%
Profit attributable to owners of parent	17,083	31,099	14,016	82.0%
EPS (yen)	325.08	627.71	302.63	–
ROE	10.8%	17.8%	7.0pt	–
Exchange Rate (Average rate during the year) USD (yen)	152.58	150.77	(1.81)	–

Notes: The Company conducted a two-for-one stock split of its common stock effective October 1, 2024.

Earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.

#### Business Environment Surrounding the Group

During the consolidated fiscal year under review, the global economy faced heightened uncertainty due to factors such as the impact of U.S. tariff policies, the prolonged situation in Ukraine, and elevated resource prices and supply chain disruptions driven by tensions in the Middle East.

In the electronics industry to which the Group belongs, while inventory adjustments in the supply chain were easing, automotive applications maintained a solid performance, supported by a recovery in demand driven by the continued advancement of vehicle electrification and technological sophistication. Meanwhile, against the backdrop of expanding demand for AI servers, the tight supply-demand conditions for memory products have led to rising procurement costs and difficulties in sourcing across a broad range of industries.

The following is an overview of consolidated business performance during the consolidated fiscal point under review.

Net Sales	<p>In the electronic components business, while as inventory adjustments in the supply chain gradually eased, spot sales were actively conducted in response to the tight supply-demand conditions for memory products. In the EMS(*) business, capacity expansion at overseas production sites contributed to increased sales. In the information equipment business, sales of PCs to educational institutions and mass retailers performed well. In the others business, the amusement equipment business for the U.S. market sustained sales growth throughout the year. Furthermore, as a result of the tender offer conducted in July 2025, Kyoei Sangyo Co., Ltd. became a consolidated subsidiary of the Company from the 2nd quarter.</p> <p>As a result, net sales increased by 111,162 million yen year on year to 658,941 million yen.</p> <p>Note: Electronics Manufacturing Service: Provision of product development and manufacturing services on an outsourcing basis.</p>
Gross Profit	Gross profit increased by 13,684 million yen year on year to 85,350 million yen, driven by higher sales.
Operating income	Selling, general and administrative expenses increased, driven by higher sales-related costs associated with overall sales growth, and increased fixed costs arising from a corporate acquisition, among other factors. Nevertheless, higher gross profit more than offset these increases, resulting in operating income rising by 4,223 million yen year on year to 27,824 million yen
Ordinary income	Non-operating income and expenses improved as foreign exchange losses recorded in the previous fiscal year turned into gains, partly due to exchange rate fluctuations in the second half of the fiscal year under review. As a result, ordinary income increased by 7,336 million yen year on year to 29,930 million yen.
Profit before income taxes	Profit before income taxes increased by 16,666 million yen year on year to 40,376 million yen, driven by the recognition of extraordinary income, including a gain on bargain purchase from a corporate acquisition (7,797 million yen) and gains on sales of investment securities resulting from the reduction of cross-shareholdings (1,663 million yen).
Profit attributable to owners of parent	Profit attributable to owners of parent increased by 14,016 million yen year on year to 31,099 million yen, due to the recognition of income taxes – current.

Progress in the first year (FY2026/3) of the “Medium-Term Management Plan 2027”

From a financial performance perspective, results remained solid throughout the fiscal year, with the earnings forecast revised upward three times during the period. In addition, year-on-year increases were recorded in net sales, gross profit, and all profit levels, including profit attributable to owners of parent. In addition, net sales and profit attributable to owners of parent achieved record highs for the first time in three fiscal years since the fiscal year ended March 2023.

Meanwhile, the Company pursued bold and swift initiatives under the basic policy set forth in the Medium-Term Management Plan 2027, which is to “enhance corporate value through management that emphasizes profitability and capital efficiency.”

With regard to “M&A Challenges,” which we identified as one of our priority measures, in July 2025 we acquired Kyoei Sangyo Co., Ltd. through a tender offer, making it a consolidated subsidiary.

Regarding the “Implementation of Capital Strategies,” in August 2025, we acquired all shares (4.92 million shares, representing 9.4% of total issued shares) held by our four principal banking partners for a total of 14.4 billion yen and subsequently cancelled all such shares.

This represents the largest share repurchase in the Company’s history in terms of volume, and marks our first-ever cancellation of treasury shares.

Thus, we recognize that we have achieved a solid start in the first year of our Medium-Term Management Plan 2027.

# Business segment performance

		FY 2025/3 (April 1, 2024 – March 31, 2025)	FY 2026/3 (April 1, 2025 – March 31, 2026)	YoY	
		(Million yen)	(Million yen)	(Million yen)	
Electronic components	Net sales	472,910	568,834	95,924	20.3%
	Segment income	16,927	19,304	2,377	14.0%
Information equipment	Net sales	42,652	54,182	11,529	27.0%
	Segment income	3,307	4,444	1,137	34.4%
Software	Net sales	3,387	3,307	(80)	(2.4%)
	Segment income	509	365	(143)	(28.2%)
Others	Net sales	28,829	32,617	3,788	13.1%
	Segment income	2,707	3,487	780	28.8%
Total	Net sales	547,779	658,941	111,162	20.3%
	Segment income	23,601	27,824	4,223	17.9%

Note: "Segment income" shows unadjusted figures for each business segment and adjusted figures for the total.

- (a) Electronic components (Development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service EMS, and other activities)
- In the components sales business, while supply chain inventory adjustments were easing, spot sales were actively pursued, leveraging procurement strengths as an independent trading company (approximately 41,100 million yen). This was in response to tightening supply-demand conditions for certain semiconductor products, primarily including commodity memory, driven by growing memory demand for AI server applications, which became evident in the second half of the previous fiscal year. In addition, the sales of Kyoei Sangyo Co., Ltd., which became a consolidated subsidiary, have been included in the results from the 2nd quarter onward. In the EMS business, a slowdown in demand was observed among certain customers in the automotive sector. However, aggressive capital expenditures focused on overseas production sites proved effective, and sales to medical and air-conditioning equipment sectors remained robust.
- As a result, net sales increased 20.3% year on year to 568,834 million yen and segment income increased 14.0% year on year to 19,304 million yen.



- (b) Information equipment (Sales of finished products such as PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products)  
In the PC sales business, initiatives were undertaken to increase the number of partner schools in sales to educational institutions. As a result, sales remained strong, supported in part by demand from the second phase of the GIGA School program. Sales to mass retailers performed well throughout the year, driven by launches of new products, such as AI PCs, from major PC manufacturers, replacement demand following the end of Windows 10 support, and front-loaded demand in anticipation of rising memory prices. In addition, sales of security software for mobile devices also contributed to the growth in this business segment, supported by factors such as replacement demand driven by the introduction of new products.  
As a result, net sales increased 27.0% year on year to 54,182 million yen and segment income increased 34.4% year on year to 4,444 million yen.
- (c) Software (Production of computer graphics, planning and development of amusement products, and other activities)  
In computer graphics production for games and amusement equipment, proactive initiatives were undertaken to secure new orders. However, net sales decreased due to a reactionary effect from large-scale orders recognized in the second half of the previous fiscal year. Although profitability stabilized from Q2 onward, the operating loss incurred in Q1 continued to weigh on performance, resulting in a year-on-year decline in full-year profits.  
As a result, net sales decreased 2.4% year on year to 3,307 million yen and segment income decreased 28.2% year on year to 365 million yen.
- (d) Others (Repair and supports for electronics equipment, manufacture and sales of amusement equipment, and sales of sports goods, and other activities)  
The recycling and reuse business for PC products and PC peripherals performed well, supported by demand driven by the transition from Windows 10 to Windows 11, as well as price increases in new PC products due to rising memory prices. Furthermore, the amusement equipment business, which had benefited from robust front-loaded shipments for the U.S. market since the second half of the previous fiscal year, began to level off in the second half of the fiscal year. However, net sales maintained year-on-year growth on a full-year basis.  
As a result, net sales increased 13.1% year on year to 32,617 million yen and segment income increased 28.8% year on year to 3,487 million yen.

<Reference>Financial results

1. Financial highlights(3months)

	FY 2025/3 Q4 (3months) (January 1, 2025 – March 31, 2025)	FY 2026/3 Q4 (3months) (January 1, 2026 – March 31, 2026)	YoY	
	(Million yen)	(Million yen)	(Million yen)	
Net sales	151,536	213,466	61,930	40.9%
Gross profit	19,475	25,388	5,912	30.4%
(Margin)	12.9%	11.9%	(1.0pt)	–
SG&A	13,930	17,013	3,083	22.1%
Operating income	5,545	8,374	2,829	51.0%
(Margin)	3.7%	3.9%	0.2pt	–
Ordinary income	4,214	9,164	4,950	117.5%
Profit before income taxes	5,247	9,058	3,811	72.6%
Profit attributable to owners of parent	4,368	6,790	2,422	55.5%

2. By segment

		FY 2025/3 Q4 (3months) (January 1, 2025 – March 31, 2025)	FY 2026/3 Q4 (3months) (January 1, 2026 – March 31, 2026)	YoY	
		(Million yen)	(Million yen)	(Million yen)	
Electronic Components	Net sales	126,697	184,942	58,244	46.0%
	Segment income	3,358	5,536	2,177	64.8%
Information Equipment	Net sales	15,699	20,530	4,830	30.8%
	Segment income	1,353	1,944	590	43.6%
Software	Net sales	1,316	781	(535)	(40.7%)
	Segment income	201	131	(69)	(34.5%)
Others	Net sales	7,822	7,212	(610)	(7.8%)
	Segment income	610	740	130	21.3%
Total	Net sales	151,536	213,466	61,930	40.9%
	Segment income	5,545	8,374	2,829	51.0%

Note: “Segment income” shows unadjusted figures for each business segment and adjusted figures for the total.

## (2) Overview of financial condition

### Assets, liabilities and net assets

Total assets as of March 31, 2026 increased by 98,022 million yen from the previous fiscal year-end to 403,694 million yen.

Current assets increased by 85,204 million yen compared to the end of the previous fiscal year, to 342,368 million yen. This is primarily due to increases of 57,243 million yen in trade receivables-trade and 13,596 million yen in merchandise and finished goods, driven by large-scale spot sales concentrated in the fourth quarter and the consolidation of Kyoei Sangyo Co., Ltd. as a Group company.

Non-current assets increased by 12,818 million yen compared to the end of the previous fiscal year, to 61,325 million yen. This is primarily due to an increase of 3,179 million yen in property, plant and equipment, and 6,846 million yen in investment securities that partly reflected the consolidation of Kyoei Sangyo Co., Ltd. as a Group company.

Liabilities increased by 80,885 million yen compared to the end of the previous fiscal year, to 220,177 million yen. This is primarily due to increases of 53,507 million yen in short-term loans payable and 21,033 million yen in notes and accounts payable - trade, driven by working capital associated with large-scale spot sales concentrated in the fourth quarter and the consolidation of Kyoei Sangyo Co., Ltd. as a Group company.

Net assets increased by 17,136 million yen from March 31, 2025, to 183,516 million yen. This increase was primarily due to the recognition of profit attributable to owners of parent of 31,099 million yen, which led to an increase in retained earnings of 15,402 million yen.

## (3) Cash flows

Cash and cash equivalents as of March 31, 2026 increase 15,611 million yen from March 31, 2025 to 88,292 million yen.

### (Operating activities)

Net cash used in operating activities was 2,471 million yen (25,047 million yen provided by the previous fiscal year) mainly due to an increase in notes and accounts receivable driven by spot sales concentrated in the fourth quarter.

### (Investing activities)

Net cash used in investing activities was 3,466 million yen (9,967 million yen used in the previous fiscal year) mainly due to Purchase of shares of subsidiaries resulting in change in scope of consolidation.

### (Financing activities)

Net cash used in financing activities was 20,329 million yen (7,343 million yen used in the previous fiscal year) mainly due to an increase in short-term loans payable.

#### (4) Future outlook

The global economic outlook for the fiscal year ending March 2027 is expected to remain highly uncertain due to various factors, including the uncertainty over U.S. tariff policies, the protracted situation in Ukraine, escalating geopolitical tensions in the Middle East, and the consequent rise in resource prices. In the electronics industry, expanding demand for AI servers for data centers continues to drive the semiconductor market. Meanwhile, the outlook is expected to remain uncertain amid tight supply-demand conditions and rising prices for memory, as well as concerns over the supply of raw materials and related inputs due to the situation in the Middle East.

Under these business circumstances, consolidated net sales for the fiscal year ending March 2027 are projected to be 645,000 million yen (a decrease of 13,941million yen, or 2.1% year on year). The primary factor behind the expected decrease in net sales is the absence of spot sales (approximately 41,100 million yen) recorded in the previous fiscal year in response to tight supply-demand conditions for certain semiconductor products.

From a profit perspective, operating income is expected to increase slightly year on year to 28,500 million yen (an increase of 675 million yen, or 2.4% year on year), reflecting improvements in the gross profit margin and efforts to maintain strict cost control. Ordinary income is projected to be 28,000 million yen (a decrease of 1,930 million yen, or 6.5% year on year), incorporating the absence of foreign exchange gains recorded in the previous fiscal year.

Profit attributable to owners of parent is expected to be 20,000 million yen (a decrease of 11,099 million yen, or 35.7% year on year). This reflects the absence of extraordinary income and loss recorded in the previous fiscal year (10,445 million yen in gains), including gains on bargain purchase from a corporate acquisition completed in the previous fiscal year and gains on sales of investment securities.

On an underlying basis, excluding these special factors in the previous fiscal year, net sales and income are expected to continue to grow in the fiscal year ending March 2027.

Forecast for the fiscal year ending March 2027 (Consolidated, April 1, 2026 – March 31, 2027)

	FY 2026/3 (April 1, 2025 – March 31, 2026)	FY 2027/3 (April 1, 2026 – March 31, 2027) (Forecast)	Difference	
	(Million yen)	(Million yen)	(Million yen)	
Net Sales	658,941	645,000	(13,941)	(2.1%)
Operating income (Margin)	27,824 4.2%	28,500 4.4%	675 0.2pt	2.4% –
Ordinary income	29,930	28,000	(1,930)	(6.5%)
Profit attributable to owners of parent	31,099	20,000	(11,099)	(35.7%)
EPS(Yen)	627.71	419.65	(208.06)	–
ROE	17.8%	10.5%	(7.3pt)	–

(5) Basic policy for earnings allocations and dividends in the current and next fiscal years

With the aim of enhancing returns to our shareholders, the Company has revised its shareholder return policy as outlined in its “Medium-Term Management Plan 2027,” which commenced in the fiscal year ended March 2026.

- Medium-to long-term dividend growth guideline: increased the consolidated dividend payout ratio to 30% - 40% (from 25% - 35% in the previous Medium-Term Management Plan)
- Guideline for stable dividends: introduced “consolidated DOE (dividend on shareholders’ equity ratio) of 4%” as a new guideline
- Flexible and strategic returns: flexibly and strategically implement extraordinary dividends and acquisition of treasury shares in line with profit levels and capital efficiency

In accordance with this policy, the dividends for the current and next fiscal years will be as follows.

	Dividend per share			Consolidated dividend payout ratio	DOE
	Q2	Year-end	Full year		
Dividends for the current fiscal year	Yen 60.00 (Results) (Ordinary dividend 55.00) (Extraordinary dividend 5.00)	Yen 80.00 (Ordinary dividend 55.00) (Extraordinary dividend 25.00)	Yen 140.00 (Ordinary dividend 110.00) (Extraordinary dividend 30.00)	22.3% (Adjusted payout ratio) 30.3% *2	4.5%
Previous forecast (Announced on February 12, 2026)	60.00 (Results) (Ordinary dividend 55.00) (Extraordinary dividend 5.00)	70.00 (Ordinary dividend 55.00) (Extraordinary dividend 15.00)	130.00 (Ordinary dividend 110.00) (Extraordinary dividend 20.00)	22.6% (Adjusted payout ratio) 30.8% *2	4.2%
Dividends for the previous fiscal year (Fiscal year ended March 31, 2025)	55.00 *1	55.00	110.00	33.8%	4.2%
Fiscal year ending March 2027 (Forecast)	70.00	70.00	140.00	33.4%	4.2%

- Notes: 1. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Dividend per share is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024.
2. This includes a gain on bargain purchase of 7,797 million yen in connection with the consolidation of Kyoei Sangyo Co., Ltd. in July 2025 and related gains and losses arising from step acquisitions (385 million yen). Since these items represent purely accounting gains and losses without any cash inflows, the consolidated payout ratio are presented on an adjusted basis excluding such items.

## 2. Basic Approach to the Selection of Accounting Standards

The KAGA ELECTRONICS Group prepares consolidated financial statements based on Japanese accounting standards. Going forward, we will consider adopting IFRS standards with due consideration to financial market trends, share of foreign investors, and the organizational costs resulting from the adoption of IFRS standards.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated balance sheet

	(Million yen)	
	FY 2025/3 (As of March 31, 2025)	FY 2026/3 (As of March 31, 2026)
<b>ASSETS</b>		
Current assets		
Cash and deposits	80,188	89,706
Notes receivable – trade	892	306
Electronically recorded monetary claims - operating	7,155	9,714
Accounts receivable – trade	106,091	163,335
Securities	150	141
Merchandise and finished goods	35,906	49,503
Work in process	1,973	1,574
Raw materials and supplies	13,893	16,926
Other	11,148	11,532
Allowance for doubtful accounts	(236)	(370)
Total current assets	257,164	342,368
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,588	24,051
Accumulated depreciation	(10,748)	(12,211)
Buildings and structures, net	9,839	11,839
Machinery, equipment and vehicles	24,933	28,822
Accumulated depreciation	(13,898)	(16,923)
Machinery, equipment and vehicles, net	11,034	11,898
Tools, furniture and fixtures	5,998	6,505
Accumulated depreciation	(4,780)	(5,222)
Tools, furniture and fixtures, net	1,217	1,282
Land	5,940	6,237
Construction in progress	413	366
Total property, plant and equipment	28,445	31,624
Intangible assets		
Software	1,694	1,873
Other	44	38
Total intangible assets	1,738	1,911
Investments and other assets		
Investment securities	12,556	19,403
Deferred tax assets	1,344	1,383
Distressed receivables	4,815	4,662
Other	4,481	7,125
Allowance for doubtful accounts	(4,873)	(4,785)
Total investments and other assets	18,323	27,789
Total non-current assets	48,507	61,325
Total assets	305,671	403,694

(Million yen)

	FY 2025/3 (As of March 31, 2025)	FY 2026/3 (As of March 31, 2026)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable - trade	73,340	94,373
Short-term loans payable	14,890	68,398
Current portion of bonds payable	5,000	200
Accrued expenses	8,145	10,170
Income taxes payable	4,018	6,429
Provision for directors' bonuses	428	499
Other	11,881	15,373
Total current liabilities	117,704	195,444
Non-current liabilities		
Bonds payable	5,000	5,200
Long-term loans payable	5,500	6,571
Deferred tax liabilities	4,115	4,833
Provision for directors' retirement benefits	99	79
Net defined benefit liability	2,572	2,788
Asset retirement obligations	698	922
Other	3,601	4,339
Total non-current liabilities	21,587	24,733
Total liabilities	139,292	220,177
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	12,133	12,133
Capital surplus	14,885	14,767
Retained earnings	121,553	136,955
Treasury shares	(5,579)	(9,908)
Total shareholders' equity	142,993	153,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,263	4,626
Deferred gains or losses on hedges	(28)	(1)
Foreign currency translation adjustment	18,959	23,636
Remeasurements of defined benefit plans	1,031	1,293
Total accumulated other comprehensive income	23,225	29,555
Non-controlling interests	160	12
Total net assets	166,379	183,516
Total liabilities and net assets	305,671	403,694

## (2) Consolidated statements of income and comprehensive income

(Million yen)

	FY 2025/3 (April 1, 2024 – March 31, 2025)	FY 2026/3 (April 1, 2025 – March 31, 2026)
Net sales	547,779	658,941
Cost of sales	476,113	573,591
Gross profit	71,665	85,350
Selling, general, and administrative expenses	48,064	57,525
Operating income	23,601	27,824
Non-operating income		
Interest income	1,300	1,060
Dividends income	249	399
Commission fee	120	148
Share of profit of entities accounted for using equity method	–	39
Foreign exchange gain	–	180
House rent income	131	136
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	569
Other	768	850
Total non-operating income	2,569	3,384
Non-operating expenses		
Interest expenses	769	910
Loss from equity method investments	90	–
Foreign exchange losses	2,336	–
Other	379	368
Total non-operating expenses	3,576	1,278
Ordinary income	22,593	29,930
Extraordinary income		
Gain on sales of non-current assets	42	27
Gain on sales of investment securities	754	1,663
Gain on bargain purchase	–	7,797
Gain on step acquisitions	–	466
Gain on reversal of impairment loss	642	–
Other	–	962
Total extraordinary income	1,439	10,918
Extraordinary loss		
Impairment loss	–	2
Loss on retirement of non-current assets	42	7
Loss on sales of investment securities	4	12
Loss on valuation of investment securities	241	109
Loss on step acquisitions	–	80
Extra retirement payments	–	235
Other	35	25
Total extraordinary loss	324	472
Profit before income taxes	23,709	40,376
Income taxes - current	6,778	10,096
Income taxes - deferred	209	(884)
Total income taxes	6,988	9,212
Profit	16,721	31,163
Profit attributable to owners of parent	17,083	31,099
Profit (loss) attributable to non-controlling interests	(361)	64



(Million yen)

	FY 2025/3 (April 1, 2024 – March 31, 2025)	FY 2026/3 (April 1, 2025 – March 31, 2026)
Other comprehensive income		
Valuation difference on available-for-sale securities	183	1,573
Deferred gains or losses on hedges	(50)	27
Foreign currency translation adjustment	3,034	4,698
Remeasurements of defined benefit plans, net of tax	727	261
Share of other comprehensive income of entities accounted for using equity method	127	(14)
Total other comprehensive income	4,023	6,547
Comprehensive income	20,744	37,711
Comprehensive income attributable to owners of parent	21,104	37,428
Comprehensive income attributable to non-controlling interests	(359)	283

## (3) Consolidated statement of changes in equity

For the fiscal year ended March 2025 (April 1, 2024 – March 31, 2025)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	14,849	110,250	(5,603)	131,629
Changes of items during period					
Dividends of surplus			(5,780)		(5,780)
Profit attributable to owners of parent			17,083		17,083
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		36		25	62
Net changes of items other than shareholders' equity					
Total changes of items during period	–	36	11,302	23	11,363
Balance at the end of current period	12,133	14,885	121,553	(5,579)	142,993

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,075	21	15,803	303	19,204	396	151,231
Changes of items during period							
Dividends of surplus							(5,780)
Profit attributable to owners of parent							17,083
Purchase of treasury shares							(1)
Disposal of treasury shares							62
Net changes of items other than shareholders' equity	187	(49)	3,155	727	4,021	(236)	3,784
Total changes of items during period	187	(49)	3,155	727	4,021	(236)	15,148
Balance at the end of current period	3,263	(28)	18,959	1,031	23,225	160	166,379

For the fiscal year ended March 2026 (April 1, 2025 – March 31, 2026)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	12,133	14,885	121,553	(5,579)	142,993
Changes of items during period					
Dividends of surplus			(5,750)		(5,750)
Profit attributable to owners of parent			31,099		31,099
Purchase of treasury shares				(14,448)	(14,448)
Disposal of treasury shares		30		23	54
Cancellation of treasury shares		(149)	(9,947)	10,096	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(118)	15,402	(4,328)	10,955
Balance at the end of current period	12,133	14,767	136,955	(9,908)	153,948

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	3,263	(28)	18,959	1,031	23,225	160	166,379
Changes of items during period							
Dividends of surplus							(5,750)
Profit attributable to owners of parent							31,099
Purchase of treasury shares							(14,448)
Disposal of treasury shares							54
Cancellation of treasury shares							–
Net changes of items other than shareholders' equity	1,362	27	4,677	261	6,329	(148)	6,181
Total changes of items during period	1,362	27	4,677	261	6,329	(148)	17,136
Balance at the end of current period	4,626	(1)	23,636	1,293	29,555	12	183,516

## (4) Consolidated statement of cash flows

(Million yen)

	FY 2025/3 (April 1, 2024 – March 31, 2025)	FY 2026/3 (April 1, 2025 – March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	23,709	40,376
Depreciation	4,464	5,307
Impairment loss	–	2
Amortization of goodwill	16	–
Increase (decrease) in provision for directors' bonuses	(8)	70
Increase (decrease) in allowance for doubtful accounts	(183)	(62)
Interest and dividend income	(1,549)	(1,460)
Interest expenses	769	910
Share of (profit) loss of entities accounted for using equity method	90	(39)
Loss (gain) on sales of investment securities	(750)	(1,651)
Loss (gain) on valuation of investment securities	241	109
Loss (gain) on step acquisitions	–	(385)
Gain on bargain purchase	–	(7,797)
Gain on reversal of impairment loss	(642)	–
Decrease (increase) in notes and accounts receivable - trade	(1,036)	(38,871)
Decrease (increase) in inventories	2,356	(6,960)
Increase (decrease) in notes and accounts payable - trade	2,040	10,111
Decrease (increase) in accounts receivable - other	(283)	(89)
Increase (decrease) in accrued expenses	(270)	1,066
Decrease (increase) in advance payments	(128)	(368)
Decrease (increase) in consumption taxes refund receivable	(1,354)	1,660
Decrease (increase) in other current assets	241	(46)
Increase (decrease) in other current liabilities	61	1,935
Other, net	17	738
Subtotal	27,800	4,554
Interest and dividend income received	1,555	1,472
Interest expenses paid	(784)	(919)
Income taxes paid	(3,523)	(7,578)
Net cash provided by (used in) operating activities	25,047	(2,471)

(Million yen)

	FY 2025/3 (April 1, 2024 – March 31, 2025)	FY 2026/3 (April 1, 2025 – March 31, 2026)
Cash flows from investing activities		
Payments into time deposits	(19,811)	(330)
Proceeds from withdrawal of time deposits	16,579	7,564
Purchase of property, plant and equipment	(5,245)	(3,789)
Proceeds from sales of property, plant and equipment	105	124
Purchase of intangible assets	(425)	(758)
Proceeds from purchase of shares of	–	(7372)
Purchase of shares of subsidiaries resulting in change in scope of consolidation		
Purchase of investment securities	(2,553)	(4,971)
Proceeds from sales of investment securities	1,445	6,023
Payments of short-term loans receivable	(30)	(0)
Long-term loan advances	(10)	(2)
Other payments	(359)	(176)
Other proceeds	338	223
Net cash provided by (used in) investing activities	(9,967)	(3,466)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(629)	53,492
Proceeds from long-term borrowings	–	100
Repayments of long-term loans payable	(100)	(6,712)
Redemption of bonds	–	(5,200)
Purchase of treasury shares	(1)	(14,448)
Cash dividends paid	(5,773)	(5,741)
Proceeds from share issuance to non-controlling shareholders	113	–
Other, net	(953)	(1,160)
Net cash provided by (used in) financing activities	(7,343)	20,329
Effect of exchange rate change on cash and cash equivalents	2,527	885
Net increase (decrease) in cash and cash equivalents	10,263	15,277
Cash and cash equivalents at beginning of period	62,417	72,681
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	333
Cash and cash equivalents at end of period	72,681	88,292

(5) Notes to consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Notes to Segment information, etc.)

a. Segment information

1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. The Company classifies subsidiaries and associates according to their products and services, and implements comprehensive strategies in Japan and overseas. Consequently, the Group has four reportable segments that are made of different categories of products and services: electronic components, information equipment, software and others. The electronic components segment includes the development, manufacture and sale of semiconductors, general electronic components and other products, the electronics manufacturing service (EMS), and other activities. The information equipment segment includes sales of finished products such as PCs, PC peripherals, home electric appliances, photograph and imaging products, original brand products, and other products. The software segment includes the production of computer graphics, planning and development of amusement products, and other activities. The others segment includes the repair and supports for electronics equipment, and sales of amusement equipment and sports goods, and others.

2. Information about net sales, profit (loss), assets, and other items is as follows:

For the fiscal year ended March 2025 (April 1, 2024 – March 31, 2025)

(Million yen)

	Reporting segments					Adjustment *1	Consolidated *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	472,910	42,652	3,387	28,829	547,779	–	547,779
Inter-segment sales or transfers	3,717	11,050	1,271	5,876	21,915	(21,915)	–
Total	476,627	53,703	4,658	34,706	569,695	(21,915)	547,779
Segment income	16,927	3,307	509	2,707	23,451	149	23,601
Segment assets	281,610	26,091	2,310	16,522	326,534	(20,862)	305,671
Others							
Depreciation	3,831	81	87	482	4,482	(18)	4,464
Increase in property, plant and equipment and intangible assets	5,044	35	71	547	5,698	(27)	5,671

For the fiscal year ended March 2026 (April 1, 2025 – March 31, 2026)

(Million yen)

	Reporting segments					Adjustment *1	Consolidated *2
	Electronic components	Information equipment	Software	Others	Total		
Net sales:							
Sales to external customers	568,834	54,182	3,307	32,617	658,941	–	658,941
Inter-segment sales or transfers	3,958	15,495	1,137	5,751	26,342	(26,342)	–
Total	572,793	69,678	4,444	38,369	685,284	(26,342)	658,941
Segment income	19,304	4,444	365	3,487	27,603	221	27,824
Segment assets	372,659	31,674	2,159	16,729	423,223	(19,529)	403,694
Others							
Depreciation	4,570	95	108	546	5,320	(13)	5,307
Increase in property, plant and equipment and intangible assets	3,912	75	142	412	4,542	5	4,547

Notes: 1. The adjustment is as follows:

(1) Segment income

(Million yen)

	Fiscal year ended March 2025	Fiscal year ended March 2026
Elimination of inter-segment	149	221
Total	149	221

## (2) Segment assets

(Million yen)

	Fiscal year ended March 2025	Fiscal year ended March 2026
Elimination of inter-segment Corporate *	(23,268) 2,406	(21,392) 1,863
Total	(20,862)	(19,529)

\* Total corporate assets principally consist of surplus funds of the Company under management (cash and securities, etc.).

## (3) Depreciation

(Million yen)

	Fiscal year ended March 2025	Fiscal year ended March 2026
Elimination of inter-segment	(18)	(13)
Total	(18)	(13)

## (4) Increase in property, plant and equipment and intangible assets

(Million yen)

	Fiscal year ended March 2025	Fiscal year ended March 2026
Elimination of inter-segment	(27)	5
Total	(27)	5

2. Segment income is adjusted with operating income on the consolidated statements of income and comprehensive income.

## (Per-share information)

(Yen)

	FY 2025/3 (April 1, 2024 – March 31, 2025)	FY 2026/3 (April 1, 2025 – March 31, 2026)
Net assets per share	3,162.68	3,850.35
Earnings per share	325.08	627.71

Notes: 1. The Company conducted a two-for-one stock split of its common stock effective October 1, 2024. Net assets per share and Earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 2024. Earnings per share (diluted) have not been disclosed because there were no potentially dilutive shares.

2. The basis of calculation of earnings per share is as follows.

	FY 2025/3 (April 1, 2024 – March 31, 2025)	FY 2026/3 (April 1, 2025 – March 31, 2026)
Earnings per share		
Profit attributable to owners of parent (million yen)	17,083	31,099
Profit not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent allocated to common stock (million yen)	17,083	31,099
Average number of common stock outstanding during the fiscal year	52,549,881	49,544,258

## (Subsequent events)

Not applicable